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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Billed Party Preference for 0+ InterLATA Calls	)	**CC Docket No. 92-77**
	)	
	)	

Comments of GVNW Inc./Management on the Further Notice of Proposed Rulemaking

GVNW Inc./Management (GVNW) is a management consulting firm providing consulting services to over one hundred small local exchange telephone companies (LECs) throughout the United States. On behalf of these clients, GVNW offers the following comments regarding the Commission's proposals for the implementation of Billed Party Preference for 0+ interstate calls. See Further Notice of Proposed Rulemaking, released June 6, 1994. ("Further Notice")

GVNW agrees with the FCC that the issues being addressed in this proceeding are of considerable concern to telecommunications customers. If Billed Party Preference (BPP) on 0+ calling were proved to be financially feasible, the small LECs could benefit from BPP as the public regains confidence in utilizing telecommunications services. GVNW believes that, if BPP is mandated, small LECs could install the necessary technology to provide BPP, but only as soon as is economically feasible and practical.

GVNW's primary concern with the FCC's Further Notice is related to the time schedule for implementation that would be imposed should the FCC make a final determination to implement BPP. While we agree that BPP should be implemented as soon as it is feasible and economically practical, the FCC needs to be aware of the impact that the three-year implementation schedule currently proposed would have on small telephone companies. See Further Notice, para. 83.

Billed Party Preference requires LECs to pass some operator dialed calls directly through to the dialed operator service provider (i.e. 00- and 10XXX+0) while passing other operator dialed calls to a database for screening the call's final destination. This process is referred to as Route Splitting. See Further Notice, para. 21.

The Further Notice notes that Route Splitting will be required in end offices in order to route 00- and 10XXX+0 calls directly to the dialed Operator Service Provider (OSP) and to route 0+ and 0- calls to a LEC OSP for further screening and routing. GVNW has discussed Route Splitting with the manufacturers of the two switches most commonly deployed by the small LECs - the Northern Telecom DMS-10 and the Siemens Stromberg Carlson DCO. GVNW found that Route Splitting is available in the Northern Telecom DMS-10 in current software generics. Operator SS7 (OSS7) will be available for the DMS-10 in 1997 for those end offices that collect and validate the bill-to number at the end office. The Siemens Stromberg Carlson DCO will offer route splitting capability in 1997. Upgrades in 1997 to both switches require installation of the most current generic software at that time. A number of small

companies use switches manufactured by Redcom, AGCS, and other manufacturers. We were unable to determine if, or when, these capabilities might be available on these switches. Thus, no switch can perform all functions associated with Route Splitting and OSS7 using the generic software currently available from the manufacturers.

In paragraph 83, the Further Notice indicates that many commentors had proposed that BPP be made available three years after the date of an FCC Order mandating BPP. The capability for Route Splitting for BPP, or OSS7, will not be available from the switch vendors for the switches deployed by the great majority of small LECs until at least two and one half years from the date of these comments. LECs would thus have only about a year to implement BPP after software was available from the manufacturers to meet a three year deadline. The proposed implementation schedule does not allow LECs adequate time to implement the Route Splitting feature on a economic or practical basis.

Typically, small LECs upgrade switch software every two to five years. Many smaller LECs serve rural areas that do not have the sophisticated service requirements of metropolitan areas. When new services are introduced, the demand generally materializes more slowly in rural areas than metropolitan areas. Usually, there is not a strong demand in the rural LECs' service areas for the newest services as soon as they are available, either from end users or Interexchange Carriers (IXCs). As an example, Equal Access still has not been requested of many small LECs by either end users or IXCs, even though Equal Access technically has been available for ten years. Thus, when costs are incurred prior to demand, the overall cost of

service is increased, without material benefit to the end user, IXCs or LECs.

Because of the two to five year period that many LECs typically use in upgrading software on their digital switches, the cost of implementing BPP will be much higher if the LECs are forced to accelerate their normal upgrade schedule solely for the purpose of implementing BPP. For example, for a switch that has the most current software generic, the cost of the next software level to accommodate BPP will likely be $20,000 to $30,000 per switch. However, if the latest software generic is not currently installed in the switch, this cost can be considerably higher. Attachment 1 provides a schedule showing the current switch type and software generic for many of the exchanges of GVNW clients. To the extent information is available for specific switch types, the schedule also indicates the expected switch generic that will be required to make BPP available. Finally, GVNW has included a broad gauge estimate of the cost to upgrade from the current software generic to the generic required for BPP implementation. Attachment 1 shows that for the sample of ninety offices where data was available, the average estimated cost of upgrading from the current generic to the generic which would have the capabilities necessary for BPP to be nearly $200,000 per office. Clearly, to the extent BPP implementation can be extended until the normal software upgrade schedule, there would be considerably less costs associated with implementing BPP.

Because of the additional costs that would be imposed by requiring BPP implementation within a short period of time, GVNW recommends that the FCC allow non-Tier 1 LECs three years after Route Splitting capability is available from the switch vendor or five years after the

date of the FCC order to provide Billed Party Preference service. In addition, the rules should specifically allow small LECs to seek a waiver of the implementation of BPP where specific circumstances make that implementation economically and practically infeasible.

Respectfully submitted,

GVNW Inc./Management

By: Bob Schoonmaker (se)
Bob Schoonmaker
Vice President

GVNW Inc./Management
P.O. Box 25969
Colorado Springs, CO 80936

(719) 594-5800
(719) 599-0968 FAX

August 1, 1994

GVNW INC/MANAGEMENT

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STATE	EXCHANGE	SWITCH MANUF.	CURRENT SOFTWARE LEVEL	SOFTWARE REQD FOR ROUTE SPLIT BPP	UPGRADE COST
Alaska	Anaktuvik Pass	Redcom	V14.0B	Unk.	
	Aniak	Redcom	V12.2B-10K	Unk.	
	Anvik	Redcom	V12.2B	Unk.	
	Atquasuk	Redcom	V7.0A	Unk.	
	Cold Bay	Redcom	V11.0C	Unk.	
	Cooper Landing	Redcom	V11.0C	Unk.	
	Councele	Redcom	V12.2B	Unk.	
	Crooked Creek	Redcom	V12.2B	Unk.	
	Ekwok	Mitel	GS 5004-SF-WW-04	Unk.	
	Elim	Redcom	V12.2B	Unk.	
	Fort Yukon	Redcom	V11.0C	Unk.	
	Galena	Redcom	V11.0G	Unk.	
	Golovin	Redcom	V12.2B	Unk.	
	Grayling	Redcom	V12.2B	Unk.	
	Holy Cross	Redcom	V12.2B	Unk.	
	Igiugig	Mitel	GS 5004-5F	Unk.	
	Iliamna	Redcom	V12.0B	Unk.	
	Kaktovik	Redcom	V7.0A	Unk.	
	Kalskag	Redcom	V12.2B	Unk.	
	Ketchikan	NTI DMS-100	BCS33	Unk.	
	King Cove	Redcom	V12.2B	Unk.	
	King Salmon	Vidar	R8.01,7.03	Unk.	
	Koliganek	Mitel	GS 5004-SF-WW-04	Unk.	
	Koyuk	Redcom	V12.2B	Unk.	
	Levelock	Mitel	GS 5004-SF-WW-04	Unk.	
	Little Diomede	Redcom	V12.2B	Unk.	
	Mentasta	Redcom	V3.1	Unk.	
	New Stuyahok	Mitel	GS5004-SF-WW-04	Unk.	
	Nuiqsut	Redcom	V7.0A	Unk.	
	Point Hope	Redcom	V12.2B	Unk.	
	Point Lay	Redcom	V7.0A	Unk.	
	Port Lions	Redcom	V12.0B	Unk.	
	Red Devil	Redcom	V12.2B	Unk.	
	Ruby	Redcom	V. 7.0	Unk.	
	Saint Michaels	Redcom	V12.2B	Unk.	
	Sandpoint	Redcom	V12.2B-10K	Unk.	
	Shageluk	Redcom	V12.2B	Unk.	
	Shaktoolik	Redcom	V12.2B	Unk.	
	Shishmareff	Redcom	V12.2B	Unk.	
	Sleetmute	Redcom	V12.2B	Unk.	
	Stebbins	Redcom	V12.2B	Unk.	
	Stoney River	Redcom	V12.2B	Unk.	
	Tanana	Redcom	12.0	Unk.	
	Teller	Redcom	V12.2B	Unk.	
	Unalaska	Vidar	R8.01.07.03	Unk.	
	Wainwright	Redcom	V14.0B	Unk.	
	Wales	Redcom	V12.2B	Unk.	
	White Mountain	Redcom	V12.2B	Unk.	
	Whittier	Redcom	V. 12.0	Unk.	

GVNW INC/MANAGEMENT

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STATE	EXCHANGE	SWITCH MANUF.	CURRENT SOFTWARE LEVEL	SOFTWARE REQD FOR ROUTE SPLIT BPP	UPGRADE COST
Arizona	Cascabel	Redcom	12.2	Unk.	
California	Etna	NTI DMS-10	406.10	410.10	$140,000
	Fort Jones	NTI DMS-10	406.10	410.10	$140,000
	Hamburg	NTI DMS-10	403.21	410.10	$245,000
	Happy Camp	NTI DMS-10	403.21	410.10	$245,000
	Oak Knoll	NTI DMS-10	403.21	410.10	$245,000
	Sawyers Bar	DMS-10 RLSM	403.21	N/A	
	Somes Bar	NTI DMS-10	403.21	410.10	$245,000
Colorado	Beulah	DMS-10	403.31	410.10	$245,000
	Colorado City (1)	Stromberg	9.1	21	$360,000
	Kim	Redcom	12.0	Unk.	
	Peetz	Stromberg	16.0	21	$150,000
	Roggen	DMS-10	405.21	410.10	$175,000
	Rye (1)	Stromberg	9.1	21	$360,000
	Willard	Redcom	6.0	Unk.	
Idaho	Arbon	Stromberg	17.3	21	$120,000
	Lakeview	Redcom	11.00	Unk.	
	Midvale(1)	NTI DMS-10	302.70	410.10	$650,000
	Potlatch	NTI DMS-10	402.53	410.10	$245,000
	Powell	Redcom	V6.0J	Unk.	
	Rockland	Stromberg	17.3	21	$90,000
	South Mountain	NTI RCLM	404.40	N/A	
	Troy (1)	NTI DMS-10	208.33	410.10	$500,000
Illinois	Baldwin	NTI DMS-10	403.31	410.10	$245,000
	Blair	NTI DMS-10	403.31	410.10	$245,000
	Columbia	GTD5-EAX	1641	Unk.	
	Dupo	GTD5-EAX	1641	Unk.	
	El Paso	Stromberg	17.2	21	$90,000
	Glenn	NTI DMS-10	403.31	410.10	$245,000
	Golden	Stromberg	17.3	21	$90,000
	Mendon	ITS Vidar	7.1.3	Unk.	
	Moultrie	NTI DMS-10	406.10	410.10	$140,000
	Prairie dR	GTD5-EAX	1641	Unk.	
	Red Bud	GTD5-EAX	1641	Unk.	
	Renault	GTD5-EAX	1641	Unk.	
	Rice	NTI DMS-10	403.31	410.10	$245,000
	St. Libory	NTI DMS-10	403.31	410.10	$245,000
	Valmeyer	GTD5-EAX	1641	Unk.	
	Venedy	NTI DMS-10	403.31	410.10	$245,000
	Waterloo	GTD5-EAX	1641	Unk.	

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Missouri	Auxvasse	NTI DMS-10	406.10	410.10	$140,000
	Bigspring	NTI DMS-10	406.10	410.10	$140,000
	Hatton	NTI DMS-10	406.10	410.10	$140,000
	Higginsville	GTD-5	1641	Unk.	
	Mokane	NTI DMS-10	406.10	410.10	$140,000
	Rhineland	NTI DMS-10	406.10	410.10	$140,000
	Tibbets	NTI DMS-10	406.10	410.10	$140,000
Montana	Ashland	NTI DMS-10	403.31	410.10	$245,000
	Broadus	NTI DMS-10	403.31	410.10	$245,000
	Forsyth	NTI DMS-10	403.31	410.10	$245,000
	Havre	NTI DMS-10	406.10	410.10	$140,000
	Hysham	NTI DMS-10	402.52	410.10	$245,000
	Eureka Rural	AT&T 5 ESS CDX	5E9	Unk.	
	Lame Deer	NTI DMS-10	403.31	410.10	$245,000
	Lincoln	NTI DMS-10	406.10	410.10	$140,000
	So. Alberton	Redcom	V6.0G	Unk.	
	Wisdom	NTI DMS-10	405.10	410.10	$175,000
Nebraska	Hoskins	NTI DMS-10	404.40	410.10	$210,000
	Pierce	NTI DMS-10	404.40	410.10	$210,000
New Mexico	Des Moines	NTI DMS-10	210.40	410.10	$350,000
	Maxwell	NTI DMS-10	302.62	410.10	$350,000
Nevada	Fallon	Stromberg	18.0	21	$70,000
	Lake Valley	Redcom	V6.1A	Unk.	
	Lincoln	NTI DMS-10	406.10	410.10	$140,000
	Pioche	Redcom	V6.1A	Unk.	
N. Dakota	Beulah	Stromberg	18.0	N/A	
	Center	Stromberg	18.0	N/A	
	Fort Yates	Stromberg	18.0	N/A	
	Golden Valley	Stromberg	18.0	N/A	
	Hazen	Stromberg	18.0	21	$70,000
	Mercer	Stromberg	18.0	N/A	
	Pick City	Stromberg	18.0	N/A	
	Selfridge	Stromberg	18.0	N/A	
	Solen	Stromberg	18.0	N/A	
	St. Anthony	Stromberg	18.0	N/A	
	Stanton	Stromberg	18.0	N/A	
	Turtle Lake	Stromberg	18.0	N/A	
	Washburn	Stromberg	18.0	N/A	
	Zap	Stromberg	18.0	N/A	

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STATE	EXCHANGE	SWITCH MANUF.	CURRENT SOFTWARE LEVEL	SOFTWARE REQD FOR ROUTE SPLIT BPP	UPGRADE COST
S. Dakota	McLaughlin	Stromberg	18.0	21	$70,000
Oregon	Adrian	NTI DMS-10	404.40	410.10	$210,000
	Antelope	NTI DMS-10	403.31	410.10	$245,000
	Beaver Creek	Stromberg	18.0	21	$70,000
	Bell Fountain	Stromberg	17.3	21	$90,000
	Canby	Stromberg	17.3	21	$90,000
	Condon	Stromberg	15.1	21	$280,000
	Corbett	NTI DSM-10	403.31	410.10	$245,000
	Dufur (1)	DMS-10M	305.10	410.10	$350,000
	Eagle	NTI DMS-10	405.21	410.10	$175,000
	Elkton	NTI DMS-10	405.10	410.10	$175,000
	Estacada	NTI DMS-100	BCS-33	Unk.	
	Gervais	NTI DMS-10	406.10	410.10	$140,000
	Harper (1)	NTI DMS-10M	301.41	410.10	$350,000
	Jordan Valley	NTI DMS-10	404.40	410.10	$210,000
	Juntura (1)	NTI DMS-10M	301.41	410.10	$350,000
	Mt. Angel	NTI DMS-10	406.10	410.10	$140,000
	Mt. Vernon	NTI DMS-10	403.31	410.10	$245,000
	Molalla	NTI DMS-10	406.10	410.10	$140,000
	Monitor	Stromberg	17.3	21	$90,000
	Monroe	Stromberg	18.0	21	$70,000
	Lyons	NTI DMS-10	405.20	410.10	$175,000
	Philomath	Stromberg	17.3	21	$90,000
	Pine	NTI DMS-10	406.10	410.10	$140,000
	Ridgeview	NTI DMS-10	404.40	410.10	$210,000
	Roome	Alcatel	R6.1 BFA3	Unk.	
	Scottsburg	NTI DMS-10	403.31	410.10	$245,000
	South Beach	Stromberg	17.3	21	$90,000
	Stayton	DMS-100/200	BCS 35	Unk.	
	St. Paul	Stromberg	17.3	21	$90,000
	Waldport	Stromberg	17.3	21	$90,000

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STATE	EXCHANGE	SWITCH MANUF.	CURRENT SOFTWARE LEVEL	SOFTWARE REQD FOR ROUTE SPLIT BPP	UPGRADE COST
Utah	Apple Valley	DMS1	405.10	N/A	
	Antimony	DMS-10 RLCM	403.30	N/A	
	Beryl	NTI DMS-10	405.10	410.10	$175,000
	Bicknell	ITEC	SXS	N/A	
	Boulder	DMS-10 RLCM	403.13	N/A	
	Bryce Canyon	ITEC	SXS	N/A	
	Castle Dale	Stromberg	17.2	21	$90,000
	Cannonville	NTI DMS-10	403.13	410.10	$245,000
	Cleveland	Stromberg	17.2	21	$90,000
	Colorado City	NTI DMS-10	405.10	410.10	$175,000
	Duck Creek	DMS-10 RLCM	405.10	N/A	
	Emery	Stromberg	17.2	21	$90,000
	Escalante	NTI DMS-10	403.13	410.10	$245,000
	Ferron	Stromberg	17.2	21	$90,000
	Green River	Stromberg	17.2	21	$90,000
	Hatch	ITEC	SXS	N/A	
	Huntington	Stromberg	17.2	21	$90,000
	Koosharem	NTI DMS-10	403.31	410.10	$245,000
	Loa	ITEC	SXS	N/A	
	Mammoth Creek	NTI DMS1	405.10	N/A	
	Manti	NTI DMS-10	403.21	410.10	$245,000
	McDonald Lake	DMS1	405.10	N/A	
	Orderville	NTI DMS-10	405.10	410.10	$175,000
	Panguitch	NTI DMS-10	403.13	410.10	$245,000
	Swain's Creek	DMS1	405.10	N/A	
Washington	Ellensburg	NTI DMS-100/200	BCS-35	Unk.	
	Grays River	GTD5EAX	SVR1621	Unk.	
W. Virginia	Lost River	Alcatel E10-5	R06.1B.FA3	Unk.	
Wyoming	S.E. Sheridan	NTI DMS-10	403.31	410.10	$245,000
	Sundance	NTI DMS-10	402.53	410.10	$245,000
TOTAL COST OF BPP/ROUTE SPLITTING					**$17,510,000**
TOTAL OFFICES UPGRADED TO BPP					**90**
AVERAGE COST PER OFFICE					**$194,556**

NOTES:

1.) DUE TO THE OLDER VINTAGE OF THESE DIGITAL SWITCHES, IT IS MORE ECONOMICAL TO REPLACE THEM RATHER THAN UPGRADE THEM. THIS SCHEDULE SHOWS THE ESTIMATED COST OF REPLACEMENT.

2.) SWITCHING LOCATIONS COUNTED TO DETERMINE THE NUMBER OF SWITCHES, AND THE AVERAGE COST PER SWITCH, ARE HOST SWITCHES WHERE SOFTWARE IS REQUIRED ONLY. REMOTES, AND THOSE SWITCHES WHERE THE PRICE TO UPGRADE IS NOT KNOWN, ARE NOT COUNTED.

CERTIFICATE OF SERVICE

I, Nicola A. Chenosky, hereby certify that on this 1st day of August, 1994, a copy of the foregoing "Comments of GVNW Inc./Management on the Further Notice of Proposed Rulemaking" was served by hand delivery to the following parties:

Nicola Chenosky

Nicola A. Chenosky

James D. Schlichting, Chief *
Policy and Program Planning Division
Common Carrier Bureau
Federal Communications Commission
1919 M Street, NW, Room 544
Washington, DC 20554

Mark S. Nadel, Attorney Advisor
Policy and Program Planning Division
Common Carrier Bureau
Federal Communications Commission
1919 M Street, NW, Room 544
Washington, DC 20554

International Transcription Services
Federal Communications Commission
1919 M Street, NW, Room 246
Washington, DC 20554

* **Two copies delivered.**